

GOVERNMENT CODE

TITLE 4. EXECUTIVE BRANCH

SUBTITLE E-1. EVENT REIMBURSEMENT PROGRAMS

CHAPTER 476. PAN AMERICAN GAMES TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 476.0001. DEFINITIONS. In this chapter:

(1) "Endorsing municipality" means a municipality that authorizes a bid by a local organizing committee for selection of the municipality as the site of the games.

(2) "Games" means the Pan American Games.

(3) "Site selection organization" means:

(A) the Pan American Sports Organization; or

(B) the United States Olympic Committee.

(4) "Trust fund" means the Pan American Games trust fund established by this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0002. ELIGIBILITY AS ENDORSING MUNICIPALITY. Only a municipality with a population of 850,000 or more is eligible as an endorsing municipality under this chapter.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

SUBCHAPTER B. STATE ACTIONS RELATING TO GAMES

Sec. 476.0051. DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for the games in this state in accordance with an application by a local organizing committee acting on behalf of an endorsing municipality, the office shall determine for each subsequent calendar quarter the incremental increases in the following tax receipts that the office determines are directly attributable to the preparation for and presentation of the games and related events:

(1) the receipts to this state from the taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 476.0053;

(2) the receipts collected by this state for the endorsing municipality from the sales and use tax imposed by the municipality under Section 321.101(a), Tax Code; and

(3) the receipts collected by the endorsing municipality from the municipality's hotel occupancy tax imposed under Chapter 351, Tax Code.

(b) The office shall make the determination required by Subsection (a) in accordance with procedures the office develops. Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0052. TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 476.0051 after the first occurrence of a measurable economic impact in this state resulting from the preparation for the games, as determined by the office, but not later than one year before the scheduled opening event of the games. Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0053. DESIGNATION OF MARKET AREA. (a) For purposes of Section 476.0051(a)(1), the office shall designate as a market area for the games each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the games and related events. The office shall include areas likely to provide venues, accommodations, and services in connection with the games based on the proposal the local organizing committee provides under Section 475.0052.

(b) The office shall determine the geographic boundaries of each market area.

(c) The endorsing municipality selected as the site for the games must be included in a market area for the games.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0054. ESTIMATE OF TAX REVENUE CREDITED TO TRUST FUND. (a) Not later than September 1 of the year that is eight years before the year the games would be held in this state, the office shall provide an estimate of the total amount of municipal and state tax revenue that would be transferred or deposited to the trust fund before January 1 of the year following the year the games would be held if the games were held in this state at a site selected in accordance with an application by a local organizing committee.

(b) The office shall provide the estimate on request to a local organizing committee.

(c) A local organizing committee may submit the office's estimate to a site selection organization.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

#### SUBCHAPTER C. TRUST FUND ESTABLISHMENT, CONTRIBUTION, AND LIMITATION

Sec. 476.0101. PAN AMERICAN GAMES TRUST FUND. The Pan American Games trust fund is established outside the state treasury. The trust fund is held in trust by the comptroller for administration of this subtitle.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0102. DEPOSIT OF MUNICIPAL TAX REVENUE. (a) Subject to Section 476.0104, the endorsing municipality shall deposit to the trust fund the amount of the municipality's hotel occupancy tax revenue determined under Section 476.0051(a)(3). The endorsing municipality shall deposit the hotel occupancy tax revenue to the trust fund at least quarterly.

(b) To guarantee the joint obligations of this state and the endorsing municipality under a games support contract and this subtitle, the comptroller, at the direction of the office, shall

retain the amount of municipal sales and use tax revenue determined under Section 476.0051(a)(2) from the amounts otherwise required to be sent to the municipality under Section 321.502, Tax Code, and, subject to Section 476.0104, deposit the retained tax revenue to the trust fund.

(c) The comptroller shall begin retaining the municipal sales and use tax revenue with the first distribution of that tax revenue that occurs after the date the office makes the determination under Section 476.0051(a)(2).

(d) The comptroller shall discontinue retaining the municipal sales and use tax revenue on the earlier of:

(1) the end of the third calendar month following the month in which the closing event of the games occurs; or

(2) the date the amount of municipal sales and use tax revenue and municipal hotel occupancy tax revenue in the trust fund equals 14 percent of the maximum amount of municipal and state tax revenue that may be transferred or deposited to the trust fund under Section 476.0104.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0103. STATE TAX REVENUE. (a) At the time the endorsing municipality deposits to the trust fund its hotel occupancy tax revenue under Section 476.0102(a), the comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue determined under Section 476.0051(a)(1) in an amount equal to 6.25 multiplied by the amount of that municipal hotel occupancy tax revenue.

(b) At the time the comptroller deposits to the trust fund the municipal sales and use tax revenue under Section 476.0102(b), the comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue determined under Section 476.0051(a)(1) in an amount equal to 6.25 multiplied by the amount of that municipal sales and use tax revenue.

(c) The comptroller shall discontinue transferring to the trust fund any state tax revenue determined under Section 476.0051(a)(1) on the earlier of:

(1) the end of the third calendar month following the month in which the closing event of the games occurs; or

(2) the date the amount of state revenue in the trust fund equals 86 percent of the maximum amount of municipal and state tax revenue that may be transferred or deposited to the trust fund under Section 476.0104.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0104. LIMITATION ON TRANSFERS AND DEPOSITS TO TRUST FUND. The total amount of municipal and state tax revenue transferred or deposited to the trust fund may not exceed \$20 million.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

#### SUBCHAPTER D. DISBURSEMENTS FROM TRUST FUND

Sec. 476.0151. DISBURSEMENT WITHOUT APPROPRIATION. Money in the trust fund may be spent by the office without appropriation only as provided by this subtitle.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0152. DISBURSEMENT FROM TRUST FUND. (a) The office may make a disbursement from the trust fund only if the office certifies that the disbursement is for a purpose for which this state and the endorsing municipality are jointly obligated under a games support contract or another agreement providing assurances from the office or the municipality to a site selection organization.

(b) On a certification described by Subsection (a), the office shall satisfy the obligation:

(1) first, from municipal revenue deposited to the trust fund and any interest earned on that municipal revenue; and

(2) if the municipal revenue is insufficient to satisfy the entire deficit, from state revenue transferred to the

trust fund and any interest earned on that state revenue in an amount sufficient to satisfy the portion of the deficit not covered by the municipal revenue.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0153. ALLOWABLE EXPENSES. The office may use money in the trust fund only to fulfill joint obligations of this state and the endorsing municipality to a site selection organization under a games support contract or another agreement providing assurances from the office or municipality to a site selection organization.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0154. TRANSFER AND REMITTANCE OF REMAINING TRUST FUND MONEY. (a) On January 1 of the second year following the year in which the games are held in this state, the comptroller, at the direction of the office, shall transfer to the general revenue fund the amount of state revenue remaining in the trust fund plus any interest earned on that state revenue.

(b) The comptroller shall remit to the endorsing municipality any money remaining in the trust fund after the required amount is transferred under Subsection (a).

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

#### SUBCHAPTER E. LOCAL POWERS AND DUTIES RELATING TO GAMES

Sec. 476.0201. REQUIRED INFORMATION. (a) A local organizing committee shall provide information required by the office to fulfill the office's duties under this subtitle, including:

(1) annual audited statements of any committee financial records required by a site selection organization; and

(2) data obtained by the committee relating to:

(A) attendance at the games; and

(B) the economic impact of the games.

(b) A local organizing committee must provide any annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

Sec. 476.0202. PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality may guarantee its obligations under a games support contract and this subtitle by pledging, in addition to municipal sales and use tax revenue retained under Section 476.0102(b), surcharges from user fees charged in connection with presentation of the games, including parking or ticket fees.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.

#### SUBCHAPTER F. LIMITATIONS ON JOINT LIABILITY

Sec. 476.0251. LIMITATION AMOUNTS. The joint liability of this state and the endorsing municipality under a joinder agreement and any other games support contracts entered into under this subtitle may not exceed the lesser of:

(1) \$20 million; or

(2) the total amount of revenue transferred or deposited to the trust fund and interest earned on the trust fund.

Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01, eff. April 1, 2021.